GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:2040
ANSWERED ON:29.07.2002
COTTON MONOPOLY PROCUREMENT SCHEME
ANANTRAO GUDHE

Will the Minister of AGRICULTURE be pleased to state:

(a) whether the Government have recently reviewed the performance of Monopoly Cotton Procurement Scheme under execution in Maharashtra for over last ten years;

(b) if so, the details of the achievements and deficiencies observed particularly during the last five years;

(c) the details of cotton procurement made during last five years alongwith the payment made/pending at the end of each year;

(d) whether the Government of Maharashtra has not paid the dues of cotton farmers;

(e) if so, the details of representations received in this regard and action taken thereon; and

(f) the details of policy initiatives taken/proposed for restructuring reorientation of cotton Monopoly Procurement Scheme in Maharashtra?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI HUKUMDEO NARAYAN YADAV)

(a)&(b): The State Government of Maharashtra have informed that they have taken adecision to continue the implementation of Cotton Monopoly Procurement Scheme in theState to protect the Coton growers from exploitation by traders and intermediaries and to ensure reasonable price for their cotton. During the last five years, the authorities have incurred losses in implementation of the Scheme which are given as under:-

Season	Rs. in Crore
1997-98	204.14
1998-99	622.87
1999-2000	923.04
2000-01	600.00
2001-02 (approx.)	1200.00

(c): The details of procurement and payment made during last five years are as under:-

Season	Procurement (Lakh qtl.)	Amount paid (Rs. in crores)
1997-98	88.26	1695.00
1998-99	120.48	2345.00
1999-2000	175.62	3623.00
2000-01	74.54	1560.00
2001-02	153.18	2408.00

For the year 2001-02 full amount of Guaranteed Price (GP) has been paid to the farmersso far. State Government has agreed to pay Advance Additional Price (A.A.P.) totaling Rs.624 crores.

(d): The State Government had decided to pay the total price of cotton procured duringthe season 2001-2002 in four installments, viz. 90% of G.P. to be paid at the time of procurement, 10% of G.P. before 31st March, 2002, 1st installment of A.A.P. from 2nd May, 2002 and 2nd installment of A.A.P. from 2nd August, 2002. However, due to financial crunch, the State Government could not make the payment of cotton as decided. Full amount of Guaranteed Price i.e. Rs.2408 crore has been fully paid to the cotton cultivatorsand remaining amount of A.A.P. will be paid soon.

(e): The State Government have informed that they received representations in thisregard from cotton cultivators as well as various cooperative societies and representatives of people requesting the State Government to make the payment for cotton procured. The State Government has held discussions with cotton growers and their representatives and briefed them about the situation.

(f): Upto the cotton season 1993-94, the scheme was implemented in the State as perthe provisions of Maharrashtra Raw Cotton (Procurement, Processing and Marketing) Act,1971. This scheme has incurred heavy deficit, as the State Government adopted a policy of giving Advance Additional Price over and above Guaranteed Price from Cotton Season1994-95 to 2001-2002. It is binding on the State Government to reimburse the deficit ofthe scheme as per the provisions of the Act. Question of implementation of the scheme in future was under consideration of the State Government as the continuation of the schemein its present form is not considered feasible by the State. The State Government hastaken a decision to implement the Scheme strictly as per the provisions of the Act, from the forthcoming season.